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UNCLAS SECTION 01 OF 03 DAKAR 000457

SIPDIS

SIPDIS
SENSITIVE

STATE FOR EB/ESC/TFS - KLEAHY AND LCANNON
STATE ALSO FOR S/CT - PHILL, GALER AND NOVIS
STATE ALSO FOR AF/RSA, AF/EPS AND AF/W
TREASURY FOR OTA AND FINCEN
PRETORIA FOR TREASURY ATTACHE
PARIS FOR ICE RJOLLES

E.O. 12958: N/A

TAGS: [EFIN](#) [ETTC](#) [KTFN](#) [PTER](#) [ECON](#) [EAID](#) [SG](#)

SUBJECT: TERRORIST FINANCE: SENEGAL'S RESPONSE TO USG CONCERN OVER
ILLICIT CASH COURIERS

REF: A. STATE 016120
[1](#)B. DAKAR 0309 (NOTAL)

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[1](#)1. (SBU) SUMMARY: Per Ref A request, Econ Counselor met separately with Senegal's Financial Intelligence Unit (CENTIF), Senegal's Department of Customs, and ECOWAS' Inter-Governmental Action Group Against Money Laundering in West Africa (GIABA), to exchange views on the capacity and willingness of Senegalese authorities to address terrorist financing concerns and cash couriers. Each of these organizations has a clear understanding of the risk posed by cash couriers and is implementing certain measures to better detect, report, and monitor such activity. There was also a general agreement on the need for better interagency cooperation in Senegal and regionally. There was unanimity among the agencies on the benefit of reinforcing bilateral cooperation with the U.S. Customs, OTA, and FBI experts to enhance anti-money laundering and counter-terrorist financing efforts. END SUMMARY.

THE CENTIF

[1](#)2. (SBU) In a February 20 meeting, NGouda Fall Kane, President of Senegal's Financial Intelligence Unit (CENTIF), told Econ Counselor that his organization is actively pursuing money laundering cases and is well attuned to the risks of bulk cash transactions for terrorist financing. He noted that Senegal's AML Law gives the authority to Customs to control licit and illicit cash couriers, and to report and seize fraudulent transactions. According to Kane, in general Senegalese Customs officers are well trained and equipped to monitor and interdict illicit cash couriers. While overall cooperation between the two agencies is good, Customs could do a better job of quickly alerting the CENTIF to suspicious cases.

[1](#)3. (SBU) West Africa Economic and Monetary Union (WAEMU/UEMOA) regulations require that any transit or transfer of currency greater than CFAF one million (USD 2,000) be declared to customs and reported to the CENTIF. To date, the CENTIF has received 78 suspicious declarations and has referred nine cases (three in 2005 and six in 2006) to the Prosecutor General. All but two of the declarations have been made by banks. The other three came from Senegalese Customs. Of the referrals, one is suspected of

involvement in drug trafficking, one of diamond trafficking, one relates to tax fraud, and three are corruption-related. No cases have concluded, although one arrest has been made.

¶4. (SBU) The CENTIF is currently very concerned about the growth of the informal cash couriers network in and through Senegal which, according to Kane, represent at least CFAF 500 billion (USD 1 billion) per year. Kane said that the growing presence of Hawala, Dakar's booming residential construction scene, and the increasing number of used, imported vehicles could be part of money laundering and illicit cash courier networks in Senegal. In March, the CENTIF hopes to begin a study of the scope of bulk cash (and other bearer instruments). Kane said that he would welcome any support from donors to in this effort.

¶5. (SBU) The CENTIF has established cooperative agreements with Belgium, France, Lebanon, Nigeria, Russia, Interpol, and the Senegalese "Inspection Generale de la Justice" to share intelligence and perform investigations. Kane called for the embassy's support to enhance cooperation with FINCEN, the FBI, and the U.S. Immigration and Border Protection Service to monitor the financial flow into Senegal from Senegalese expatriates living in the U.S.

¶6. (SBU) He applauded Senegal's new counterterrorism law, approved on January 31, 2007, that includes enhanced authority to combat terrorist financing and authorizes the Ministry of Finance to monitor and control of NGO funds entering and leaving the country. With this law in place, the CENTIF's proposed membership to the EGMONT group will likely move forward, with sponsorship by France, according to Kane.

¶7. (U) The regional central bank (Banque Centrale des Etats de l'Afrique de l'Ouest - BCEAO) has already finalized a "Directive against Terrorist Financing" to be presented to the WAEMU Council of Ministers in March 2007. Once, adopted, the member states would be directed to enact a law against terrorist financing, which most

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likely would be presented as a Uniform Law in the same manner as the 2005 WAEMU AML law. Because, like the AML law, the terrorist financing legislation would include criminal penalties each WAEMU nation must enact enabling legislation to adopt the law. This follow-on step should not be difficult in Senegal's case, Kane stated.

¶8. (U) As reported in Ref B, Kane highlighted the CENTIF's plans to host programs for local travel agencies and other non-financial institutions to raise awareness on the cash courier issues and regulations. Kane added that he would welcome any support from the U.S. Customs or OTA to bring in a U.S. expert for a day workshop on financial investigations regarding cash smuggling and money laundering/terrorism financing.

SENEGAL CUSTOM'S SERVICE

¶9. (SBU) On February 22, Colonel Mouhamadou Moustapha Diagne, Director of Intelligence and Fraud for Senegal's Department of Customs, explained that the majority of Customs agents understand the requirements for declarations on cash entering and leaving the country. According to Diagne, in general, Senegal's Customs Service is well equipped to adequately address the cash couriers, by investigating, detecting, restraining, confiscating the suspect physical cross-border movement of funds. At Dakar's Leopold Sedar Senghor International Airport, Customs use a sophisticated X-ray machine to detect concealed cash. At the same time, Diagne recognizes cash couriers are a significant risk and that the Service needs to improve its detection and investigations capabilities and enhance its role domestically, regionally and multilaterally. According to Diagne, Customs personnel are reporting all seizure of money, gold and other bearer instrument to the CENTIF (while admittedly not providing every suspect declaration in a timely manner).

¶10. (SBU) Diagne added that Senegal is ready to implement FATF special recommendations, and that in the near future Customs is planning to establish a new financial investigation unit -- and

would highly appreciate any training from U.S. Customs and Border Protection Department (CBP) on cash smuggling detection as well as training on financial investigation methods.

¶11. (U) NOTE: Senegal Custom's service, part of the Ministry of Finance, has established cooperative training agreement with the CBP, which has provided border enforcement trainings for air and maritime environments in September 2006 and January 2007, respectively. CBP is planning to organize the third training on targeting and risk management in late April. END NOTE.

GIABA

¶12. (SBU) The Governmental Action Group Against Money Laundering in West Africa (GIABA) is the FATF-style regional body for the 15-member Economic Community of Western African States (ECOWAS). On February 13, Doctor Abdullahi Y. Shehu and Doctor NDege Elisabeth NDiaye, respectively GIABA's Administrative Secretary and Deputy Administrative Secretary said that the region needs to significantly enhance the detection and reporting of cash couriers. Shehu highlighted GIABA's role as an FSRB to create a typology program on cash transfers and couriers. He explained that ECOWAS countries are required to submit regular reports on cash courier activities to GIABA. In addition, Shehu noted that in December, GIABA hosted an initial meeting for member states to begin a work plan on this topic, including systematic data collection and the presentation of case studies. Shehu hopes to begin this program at an April workshop in 2007, and consolidate it during the June ECOWAS Plenary.

(NOTE: Shehu said he would welcome the participation of U.S. Treasury and/or other U.S. Agencies at the April workshop, adding that he would send a formal invitation "soon." END NOTE.)

¶13. (SBU) The establishment of working Financial Intelligence Units (FIU) within ECOWAS was a very positive trend, according to Shehu. In addition to Senegal's CENTIF, Shehu said that Nigeria and Niger had operational FIUs, and were receiving significant assistance from the European Union and the U.N. Office of Drugs and Crime (UNODC), respectfully. He added that Sierra Leone, Liberia, Cape Verde, The

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Gambia, Guinea Bissau, and Cote d'Ivoire are all making progress on standing-up FIUs (although he had not yet met with the officials in Bissau or Abidjan). According to Shehu, Ghana is the furthest behind, and has not yet taken even preliminary steps for the creation of an FIU or for enacting the ECOWAS AML law.

¶14. (SBU) Regarding implementing systems targeting illicit cash leaving as well as entering a jurisdiction, Shehu thought that Senegal, Nigeria, and Cote d'Ivoire had declaration requirements for money both entering and leaving their borders. (NOTE: This is true for Senegal, but Embassy has not confirmed the reporting requirements for other countries. END NOTE.) Shehu also expressed an interest in working with the OTA experts on training programs to assist customs and law enforcement organizations in detecting cash smuggling. He also envisioned a possible FBI role in assisting member states with intelligence sharing.

¶15. (SBU) Mrs. Diaw, who has a strong background in financial law, highlighted the problem of "open borders" for the eight West African Economic and Monetary Union (WAEMU) countries (Benin, Burkina Faso, Cote d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo), and also the threat posed by terrorist groups to use NGOs for fundraising and money laundering. She is the main author of the draft "Legal Framework on the Combat against the Financing of Terrorism in the ECOWAS Member States," which was presented at a November 21-23 conference in Niamey. The draft framework includes monitoring and reporting requirements for cash couriers and for NGOs, and is designed to strengthen the existing GIABA AML framework. UNODC experts are providing technical assistance to review the draft. Mrs. Diaw is guardedly optimistic that the final draft framework will be adapted during the planned ECOWAS plenary in June.

¶16. (SBU) NOTE: Over much of 2005-2006 a U.S. Treasury advisor consulted with GIABA and currently, GIABA and Treasury are negotiating Terms of Reference for the possible return to Dakar of

another advisor to work closely with GIABA. Shehu was guardedly optimistic that an agreement on the TOR could be reached soon and that the final agreement reviewed and approved during the ECOWAS summit in June 2007. END NOTE.

¶17. (SBU) BIOGRAPHIC NOTE: Ndeye Elisabeth Diaw is a BCEAO official seconded to GIABA. She holds a Doctor of Law degree; she served at the BCEAO Headquarters in Dakar as the Director of International Division, and later as the Director of Legal Department and Senior Advisor to the Governor in charge of Money Laundering and Terrorism Financing.

COMMENT

¶18. (SBU) Any discussion of financial regulation and enforcement in West Africa is incomplete with consideration of the impact of corruption. Anecdotal reports of corruption among officials at air and sea ports are widespread. Cash transactions are more the norm than the exception, in large part due to the lack of confidence in and accessibility to commercial banks. Distinguishing money laundering or terrorist financing from culturally accepted business practices will remain difficult, and likely, prone to political influence.

¶19. (U) Visit Embassy Dakar's classified website at <http://www.state.sgov/gov/p/af/dakar/>.

Jacobs